

Independent Auditor's Report

To the Board of Road Commissioners
Road Commission for Oakland County

We have audited the basic financial statements of the Road Commission for Oakland County, Michigan for the year ended September 30, 2003 and have issued our report thereon dated December 30, 2003, except for Note 15 as to which the date is January 21, 2004. These financial statements are the responsibility of the Road Commission for Oakland County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying analysis of changes in Road Fund balances for the year ended September 30, 2003 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Road Commission for Oakland County. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Plante & Moran, PLLC

October 11, 2004

Road Commission for Oakland County

Analysis of Changes in Road Fund Balances Year Ended September 30, 2003

	Primary Road Fund	Local Road Fund	County Road Commission Fund	Total
Revenue				
Federal sources	\$ 19,101,314	\$ -	\$ -	\$ 19,101,314
State sources	59,413,571	10,571,658	-	69,985,229
Contributions from local units	5,959,335	492,714	-	6,452,049
Licenses and permits	693,842	173,460	-	867,302
Charges for services	2,668,398	629,289	9,926,579	13,224,266
Interest and rents	826,565	378,294	2,779	1,207,638
Special assessments	-	3,088,969	-	3,088,969
Other	781,731	494,989	503,218	1,779,938
Total revenue	89,444,756	15,829,373	10,432,576	115,706,705
Expenditures				
Road construction	21,986,174	-	-	21,986,174
Heavy maintenance	25,168,114	5,642,428	-	30,810,542
Routine maintenance	26,790,214	13,048,511	-	39,838,725
Trunkline maintenance	-	-	9,667,458	9,667,458
Trunkline nonmaintenance	-	-	208,762	208,762
Administrative	4,793,146	1,211,563	-	6,004,709
Excess of capital outlay and equipment costs over (under) related equipment rentals - Net	170,696	(51,584)	(782,532)	(663,420)
Debt service:				
Principal	1,241,507	733,493	-	1,975,000
Interest	407,730	228,483	-	636,213
ITS and SEMSIM	2,142,672	-	-	2,142,672
Total expenditures	82,700,253	20,812,894	9,093,688	112,606,835
Excess of Revenue Over (Under) Expenditures	6,744,503	(4,983,521)	1,338,888	3,099,870
Fund Balances (Deficit) - October 1, 2002	46,848,696	(1,010,339)	713,767	46,552,124
Optional Transfers	(6,100,000)	6,100,000	-	-
Fund Balances - September 30, 2003	\$47,493,199	\$ 106,140	\$2,052,655	\$49,651,994